

Kris A. McLean
KRIS A. MCLEAN LAW FIRM, PLLC
315 West Pine Street Missoula,
Montana 59802
Phone: (406) 214-1965
Email: kris@krismcleanlaw.com
Attorneys for Plaintiff

FILED
DEC 26 2019
Tom Powers, Clerk
By B. PARKS
Deputy Clerk

**MONTANA SECOND JUDICIAL DISTRICT COURT
BUTTE/SILVERBOW COUNTY**

Kevin Washington an individual and
minority owner of CryptoWatt
Investment Partners, LLC the sole
member of Cryptowatt Mining, LLC.

Plaintiff,

v.

Matthew Brent Goettsche, an
individual and majority owner of
CryptoWatt Investment Partners,
LLC the sole member of Cryptowatt
Mining, LLC.

Defendant

KURT KRUEGER
Dept. **Judge, Dept. 1**
Cause No. DV- 19-453

COMPLAINT

SUMMONS ISSUED

Parties and Venue

1. Kevin Washington is the minority owner of CryptoWatt Investment Partners, LLC.
2. Matthew B. Goettsche is the majority owner of CryptoWatt Investment Partners, LLC.
3. CryptoWatt Investment Partners, LLC, is a limited liability company organized under the State of Delaware Limited Liability Company Act, registered to do business in the State of Montana.

4. CryptoWatt Investment Partners, LLC is the sole member of CryptoWatt Mining, LLC.
5. CryptoWatt Mining, LLC is a limited liability company organized under the State of Delaware Limited Liability Company Act, registered to do business in the State of Montana.
6. CryptoWatt Mining, LLC (hereinafter “Cryptowatt”) owns and operates a “Bitcoin” mining facility at 200 Technology Way, Butte, Montana.

Facts Common to All Claims

7. Article V, section 5.01 of the CryptoWatt Investment Partners, LLC operating agreement conferred upon Matthew Brent Goettsche, as Managing Member, “the full, exclusive and complete authority, power and discretion to manage, operate and control the business, affairs and properties of the Company, to make all decisions regarding those matters, to perform any and all other acts or activities customary or incident to the management of the Company’s business and to do all things necessary or appropriate to carry on the business and purposes of the Company...”
8. Bitcoin is a type of cryptocurrency. Bitcoin is generated through computer software that solves an algorithm problem. Bitcoin can be used for purchases or exchanged for other currency on currency exchanges.

9. “Mining” is the way new Bitcoin is produced and the way Bitcoin transactions are verified.
10. From early 2018 through the present time, Kevin Washington invested tens of millions of dollars in CryptoWatt Investment Partners, LLC to build and operate CryptoWatt’s Bitcoin mining facility at Butte, Montana.

First Claim for Relief: Breach of Fiduciary Duty

11. The allegations of all prior paragraphs are realleged and incorporated in this First Claim for Relief as if fully set forth herein.
12. As the majority owner of CryptoWatt Investment Partners, LLC, Matthew Brent Goettsche owed a fiduciary duty to Kevin Washington, the minority owner of CryptoWatt Investment Partners, LLC.
13. On December 5, 2019, Matthew Brent Goettsche was indicted by a federal grand jury in the United States District Court, District of New Jersey, Criminal Number 19-877(CCC).¹
14. The Indictment charges Matthew Brent Goettsche with Conspiracy to Commit Wire Fraud and Conspiracy to Sell Unregistered Securities in connection with a ponzi scheme utilizing the BitClub Network to defraud investors in Bitcoin related investments of at least \$722 million between April 2014 and December 2019.

¹ Copy of Indictment attached as Exhibit 1 and incorporated herein by reference

15. The Indictment establishes probable cause, that is, it is more likely than not that Matthew Brent Goettsche committed the crimes of Conspiracy to Commit Wire Fraud and Conspiracy to Sell Unregistered Securities as alleged in the Indictment.
16. Mathew Brent Goettsche never informed Kevin Washington that he was using CyptoWatt's Butte Bitcoin mining facility as part of or to facilitate the crimes he was allegedly committing as alleged in the Indictment.
17. Upon information and belief, Matthew Brent Goettsche was arrested by federal authorities based on the crimes alleged in the Indictment and remains in custody pending trial on these charges.
18. Being charged with the crimes alleged in the Indictment and arrested by federal authorities makes it impossible for Matthew Brent Goettsche to exercise the authority and carry out the duties and responsibilities he exclusively possesses as the Managing Member of CryptoWatt Investment Partners, LLC-specifically, pay the operating costs and "do all things necessary and appropriate to carry on the business and purposes of the Company..."²
19. Through the conduct described in the Indictment resulting in his arrest and detention pending trial, Matthew Brent Goettsche breached his

² The impact of conduct by Matthew Brent Goettsche in breach of his fiduciary duty to Kevin Washington described in the affidavit of Richard B. Tabish attached as Exhibit 2 and incorporated herein by reference

fiduciary duty to Kevin Washington, the minority owner of
CryptoWatt Investment Partners, LLC.

20. Matthew Brent Goettsche committed actual malice in the breach of his
fiduciary duty to Kevin Washington, the minority owner of
CryptoWatt Investment Partners, LLC.

21. As a result of Matthew Brent Goettsche's breach of his fiduciary duty
to Kevin Washington, Kevin Washington's investment in Cryptowatt's
Bitcoin mining facility at Butte, Montana has lost substantial value in
an amount to be determined at trial.

22. As a result of Matthew Brent Goettsche's breach of his fiduciary duty
to Kevin Washington, Kevin Washington has been damaged by the
loss of Bitcoin not produced at Cryptowatt's Butte facility in an
amount to be determined at trial.

23. As a result of Matthew Brent Goettsche's breach of his fiduciary duty
to Kevin Washington, Kevin Washington is entitled to punitive
damages in an amount to be determined at trial.

Second Claim for relief: Actual and Constructive Fraud

24. The allegations of all prior paragraphs are realleged and incorporated
in this Second Claim for Relief as if fully set forth herein.

25. Beginning in approximately July 2018 and throughout the time period
CryptoWatt has been mining Bitcoin at its Butte facility, Matthew
Brent Goettsche has exercised exclusive control of the Bitcoin mined

at CryptoWatt's Butte facility.

26. Matthew Brent Goettsche's exclusive control of the Bitcoin mined at Cryptowatt's Butte facility included requiring that the Bitcoin be mined to the very BitClub Pool or BitClub Network that is described in the Indictment presently pending against Matthew Brent Goettsche and attached to this Complaint.
27. By mining the Bitcoin mined at CryptoWatt's Butte facility to the BitClub Pool described in the Indictment attached and exercising exclusive control over the Bitcoin, Matthew Brent Goettsche was able to obfuscate and hide the true number of Bitcoin mined, and consequently, fraudulently convert Bitcoin from Kevin Washington.
28. Matthew Brent Goettsche fraudulently converted Bitcoin rightfully due to Kevin Washington in several ways, including but not limited to: falsely under representing the true number of Bitcoin actually mined by the Cryptowatt facility in Butte and assigning fewer Bitcoin to Kevin Washington than he was entitled; using Bitcoin mined at the CryptoWatt facility in Butte as his personal piggybank to make outside investments amounting to millions of dollars without Kevin Washington's knowledge thereby depriving Kevin Washington of his ownership interest in those Bitcoin; and converting Bitcoin mined at Cryptowatt's Butte facility to U.S. Dollars and depositing the money into bank accounts that upon information and belief have been seized

by the United States government pending forfeiture as described in the Indictment attached, thereby depriving Kevin Washington of his ownership interest in those funds.

29. As a result of Matthew Brent Goettsche's actual and constructive fraud, Kevin Washington has suffered damages in an amount to be determined at trial, but not less than \$10 million.
30. As a result of Matthew Brent Goettsche's actual and constructive fraud, Kevin Washington is entitled to punitive damages in an amount to be determined at trial.

Prayer for Relief

31. WHEREFORE, Kevin Washington prays for damages, relief and judgment against Matthew Brent Goettsche as follows:
32. For expectancy damages.
33. For restitution damages.
34. For general damages in an amount to be determined at trial.
35. For special damages in an amount to be determined at trial.
36. For punitive damages in an amount to be determined at trial.
37. For attorney's fees and costs of prosecuting this lawsuit.

DATED this 23rd day of December, 2019.

KRIS A. MCLEAN LAW FIRM, PLLC

Kris A. McLean
Attorney for Plaintiff